



USAC

UNIVERSAL SERVICE
ADMINISTRATIVE CO.

100 South Jefferson Road
Whippany, NJ 07981

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RECEIVED

December 15, 1997

DEC 16 1997

To: State Public Utilities Commissions

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Administrative Requirements of FCC Public Notice Dated September 29, 1997

On September 29, 1997 the FCC issued a Public Notice (DA97-1892, attached) directing each state public utilities commission to provide the Universal Service administrator and the Commission with certain information. Failure to comply with the requirements of the public notice may jeopardize universal support payments for your state. Specifically, the public notice directed the states to take the following actions:

1. For increased Lifeline support, states must send a one-page letter authorizing the reduction of intrastate rates to the Universal Service Administrative Company (USAC). A copy of the letter must also be sent to Sheryl Todd and the Office of the Secretary at the Federal Communications Commission. Letters must be received by the Office of the Secretary by December 31, 1997 to be eligible for increased support beginning January 1, 1998;
2. States must send a one-page letter to USAC stating that a compliant intrastate discount matrix for schools and libraries has been adopted. A copy of the letter must also be sent to Sheryl Todd and the Office of the Secretary at the Federal Communications Commission. States should include a copy of the adopted intrastate discount matrix. Letters regarding the discount matrix must be received by the Office of the Secretary by December 31, 1997 to be eligible for funding beginning January 1, 1998; and
3. States should submit a list of eligible telecommunications carriers and the service areas that non-rural carriers are required to serve as soon as possible and in no event later than December 31, 1997, in order for carriers to be eligible for funding for high cost, low-income, and health care support, beginning January 1, 1998, except as set forth in 47 C.F.R. §54.621(a). Copies of the information must also be sent to Sheryl Todd and the Office of the Secretary at the Federal Communications Commission.

To date, the level of compliance with the FCC's requirements is varied. Approximately half of the states have submitted the letter adopting the discount matrix for schools and libraries; however, only eight Commissions have provided information regarding lifeline programs and twelve Commissions have provided lists of eligible carriers. Attached is a matrix that indicates which states have provided the required documentation for each program. As stated in the public notice, it is critical that this information be provided to both the Commission and the administrator by December 31, 1997. Copies of each document should be forwarded to the following addresses as soon as possible:

USAC
100 South Jefferson Rd
Whippany, N.J. 07981

Sheryl Todd
FCC-Universal Service Branch
8th Floor, 2100 M Street N.W.
Washington, D.C. 20554

Office of the Secretary
FCC Room 222
1919 M Street, N.W.
Washington, D.C. 20554

If you have questions about these requirements, or require additional information, please contact John Ricker at (973) 884-8085.

Attachments

cc: Sheryl Todd
Members of the USAC Board of Directors



PUBLIC NOTICE

News media information 202 / 418-0500
Fax-On-Demand 202 / 418-2830
Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

**Federal Communications Commission
1919 M St., N.W.
Washington, D.C. 20554**

Approved by OMB
3060-0793
Expires 03/31/98
Avg. burden hours per response: 1.25 hours

DA 97- 1892
Released September 29, 1997

**COMMON CARRIER BUREAU ANNOUNCES PROCEDURES
FOR STATES REGARDING LIFELINE CONSENTS, ADOPTION OF INTRASTATE
DISCOUNT MATRIX FOR SCHOOLS AND LIBRARIES, AND DESIGNATION OF
ELIGIBLE TELECOMMUNICATIONS CARRIERS**

On May 8, 1997, the Commission released Federal-State Joint Board on Universal Service, *Report and Order*, CC Docket No. 96-45, FCC 97-157 (Order). In that Order, the Commission adopted rules providing funding for discounts to eligible schools and libraries and support for low-income customers. The Commission also adopted rules mandating that state commissions designate common carriers as eligible telecommunications carriers for service areas selected by state commissions in accordance with section 214(e). In this public notice, the Common Carrier Bureau announces procedures that states must follow in order to receive universal service support.

Lifeline. In the Order, the Commission concluded that a revised Lifeline program shall be available in all states. The Commission held that Lifeline customers will receive \$3.50 in federal support without a matching requirement, beginning January 1, 1998. In states that accept an equivalent reduction in the portion of intrastate local rates paid by the end-user, Lifeline customers will receive an additional \$1.75 in federal support above the current \$3.50 level. In addition, the Commission will provide federal support equal to one half of any support generated by state commission action, up to a maximum of an additional \$1.75 in federal support, provided that the state commission approves this additional reduction in local service rates charged to Lifeline customers. To accept increased Lifeline support, states must send a one-page letter authorizing the reduction of intrastate rates to the Universal Service Administrative Company (USAC). A copy of the letter must also be sent to Sheryl Todd and the Office of the Secretary at the Federal Communications Commission. Letters must be received by the Office of the Secretary by December 31, 1997 to be eligible for increased support beginning January 1, 1998. States may file the letter after December 31, 1997 but those states' Lifeline customers will not be eligible

12/15/97

Letters From State Commissions in Response to Sept. 29, 1997 Public Notice

State	SCHOOL/LIB DISCOUNT MATRIX Received	ELIGIBLE CARRIERS DESIGNATED Received	LOW INCOME PROGRAMS Received
Alabama			
Alaska			
Arizona			
Arkansas	1		
California			
Colorado	1		1
Connecticut			
Delaware			
District of Columbia	1		
Florida		1*	1
Georgia	1		
Hawaii	1		
Idaho	1		
Illinois			
Indiana			
Iowa	1	1	1
Kansas	1	1	
Kentucky		1	
Louisiana	1	1	
Maine	1		1
Maryland		1	
Massachusetts			
Michigan			
Minnesota	1		
Mississippi	1		
Missouri			
Montana	1		
Nebraska	1	1	
Nevada			
New Hampshire	1	1	1
New Jersey	1		
New Mexico			
New York		1	
North Carolina	1		
North Dakota	1		1
Ohio			
Oklahoma			
Oregon			
Pennsylvania			
Puerto Rico	1	1	
Rhode Island	1	1	
South Carolina			
South Dakota			
Tennessee	1		1
Texas	1		
Utah			
Vermont	1		
Virginia	1		
Virgin Islands		1	1
Washington			
West Virginia			
Wisconsin	1		
Wyoming			
Micronesia			
American Samoa	1	1	
Guam			
TOTAL RECEIVED	26	12	8

*Does not include Florida, St. Joseph or Centel